

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE ENROLLED ACT No. 561

AN ACT to amend the Indiana Code concerning health and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.273-1999, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

- (1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.
- (2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- (3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.
- (4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.
- (5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.
- (6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.
- (7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.



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- (8) An emergency rule jointly adopted by the water pollution control board and the budget agency under IC 13-18-13-18.
- (9) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.
- (10) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.
- (11) An emergency rule adopted by the Indiana transportation finance authority under IC 8-21-12.
- (12) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.
- (13) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.
- (14) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by federal law, provided:
 - (A) the variance procedures are included in the rules; and
 - (B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.
- (15) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.
- (16) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.
- (17) An emergency rule adopted by the Indiana gaming commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- (18) An emergency rule adopted by the alcoholic beverage commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.
- (19) An emergency rule adopted by the department of financial institutions under IC 28-15-11.
- (20) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.
- (21) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.
- (22) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-17.7-2-6 to implement the uninsured parents program.**
- (b) The following do not apply to rules described in subsection (a):
 - (1) Sections 24 through 36 of this chapter.
 - (2) IC 13-14-9.



(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the secretary of state for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The secretary of state shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the secretary of state shall:

- (1) accept the rule for filing; and
- (2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

- (1) The effective date of the statute delegating authority to the agency to adopt the rule.
- (2) The date and time that the rule is accepted for filing under subsection (e).
- (3) The effective date stated by the adopting agency in the rule.
- (4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, and IC 22-8-1.1-16.1, a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(14), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. A rule adopted under subsection (a)(14) may be extended for two (2) extension periods. Except for a rule adopted under subsection (a)(14), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

- (1) sections 24 through 36 of this chapter; or
- (2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires on the earlier of the following dates:

- (1) The expiration date stated by the adopting agency in the rule.

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(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

⊕ (i) This section may not be used to readopt a rule under IC 4-22-2.5.

SECTION 2. IC 6-3.5-1.1-15, AS AMENDED BY P.L.273-1999, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 15. (a) As used in this section, "attributed levy" of a civil taxing unit means the sum of:

(1) the ad valorem property tax levy of the civil taxing unit that is currently being collected at the time the allocation is made; plus

(2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) the amount of federal revenue sharing funds and certified shares that were used by the civil taxing unit (or any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit) to reduce its ad valorem property tax levies below the limits imposed by IC 6-1.1-18.5; plus

(4) in the case of a county, an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; **plus**

(B) **after December 31, 2002, the greater of zero (0) or the difference between:**

(i) **the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus**

(ii) **the current uninsured parents program property tax levy imposed by the county.**

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a percentage of the certified shares to be distributed in the county equal to the ratio of its attributed levy to the total attributed levies of all civil taxing units of the county.

(c) The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year.



If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (b)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed levy of its own. The local government tax control board shall certify the attributed levy amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of ~~his~~ **the auditor's** county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed levy.

SECTION 3. IC 6-3.5-6-17.6, AS AMENDED BY P.L.273-1999, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 17.6. (a) This section applies to a county containing a consolidated city.

(b) On or before July 15 of each year, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter as of the end of the current calendar year.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(c) For 1995, the budget agency shall certify the STEP FOUR amount to the county auditor on or before July 15, 1994. Not later than January 31, 1995, the auditor of state shall distribute the STEP FOUR amount to the county auditor to be used to retire outstanding obligations for a qualified economic development tax project (as defined in IC 36-7-27-9).

(d) After 1995, the STEP FOUR amount shall be distributed to the county auditor in January of the ensuing calendar year. The STEP FOUR amount shall be distributed by the county auditor to the civil taxing units within thirty (30) days after the county auditor receives the distribution. Each civil taxing unit's share equals the STEP FOUR amount multiplied by the quotient of:

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(1) the maximum permissible property tax levy under IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) after December 31, 2002, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus

(ii) the current uninsured parents program property tax levy imposed by the county; divided by

(2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) after December 31, 2002, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the state average assessed value growth quotient described in IC 12-16-14-3; minus

(ii) the current uninsured parents program property tax levy imposed by the county.

SECTION 4. IC 6-3.5-6-18, AS AMENDED BY P.L.273-1999, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;

(2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);

(3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;

(4) make payments permitted under IC 36-7-15.1-17.5;

(5) make payments permitted under subsection ~~(f)~~; **(i)**; and

(6) make distributions of distributive shares to the civil taxing units of a county.



(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain the amount, if any, specified by the county fiscal body for a particular calendar year under subsection ~~(f)~~, (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year. The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the total property taxes that are first due and payable to the civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, **and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.** The denominator of the fraction equals the sum of the total property taxes that are first due and payable to all civil taxing units of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, **and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient**

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described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

(f) The state board of tax commissioners shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The state board of tax commissioners shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 5. IC 6-3.5-6-18.5, AS AMENDED BY P.L.273-1999, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated

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city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858
Beech Grove	.00845
Southport	.00025
Speedway	.00722
Indianapolis/Marion County	.86409

(2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not less than the following:

Center Township	\$1,898,145
Decatur Township	\$164,103
Franklin Township	\$173,934
Lawrence Township	\$890,086
Perry Township	\$854,544
Pike Township	\$1,410,375
Warren Township	\$1,027,721
Washington Township	\$1,017,890
Wayne Township	\$988,397
Lawrence-City	\$648,848
Beech Grove	\$639,017
Southport	\$18,906
Speedway	\$546,000

(3) For each year after 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month as follows:

STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.

STEP TWO: Determine the total amount of revenue that the

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department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 and IC 6-1.1-18.6 for each civil taxing unit for the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, **and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county;** divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 and IC 6-1.1-18.6 for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, **and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.**

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the

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product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 and IC 6-1.1-18.6 for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, **and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county;** divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 and IC 6-1.1-18.6 for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, **and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.**

SECTION 6. IC 6-3.5-7-12, AS AMENDED BY P.L.14-2000, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 12. (a) Except as provided in section 23 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and section 15 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and

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November of each year equals the product of the following:

- (1) The amount of the certified distribution for that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the sum of the following:

- (A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

- (B) For a county, an amount equal to:

- (i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; **plus**

- (ii) **after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.**

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, **and after December 31, 2002, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.**

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

- (1) The ordinance is effective January 1 of the following year.
- (2) The amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

- (A) the amount of the certified distribution for the month; multiplied by



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(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

(1) The county.

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The state board of tax commissioners shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the state board of tax commissioners shall consider only property taxes imposed on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of section 15 of this chapter.

SECTION 7. IC 6-6-5-10, AS AMENDED BY P.L.273-1999, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled

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in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) The county auditor shall determine the total amount of excise taxes collected for each taxing unit in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed. **However, after December 31, 2002, an amount equal to the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county, shall be treated as property taxes apportioned to the county unit.** However, for purposes of determining distributions under this section for 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following STEPS:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

- (~~⊕~~) (i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare administration fund; divided by
- (ii) the total amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision.

STEP FIVE: Determine the result of:

- (~~⊕~~) (i) the STEP FOUR amount; multiplied by
- (ii) the STEP THREE result.

The state welfare allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare allocation to the treasurer of state for deposit in a special account within the state general fund.

(d) Such determination shall be made from copies of vehicle

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registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from ~~his~~ **the assessor's** records, to the extent such verification can be so made. ~~He~~ **The assessor** shall further identify and verify from ~~his~~ **the assessor's** records the several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for ~~his~~ **the auditor's** use as soon as it is checked and completed.

SECTION 8. IC 12-7-2-24.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 24.7. "Caretaker relative" for purposes of IC 12-17.7, has the meaning set forth in IC 12-17.7-1-2.**

SECTION 9. IC 12-7-2-52.2, AS ADDED BY P.L.273-1999, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 52.2. (a) "Crowd out", for purposes of IC 12-17.6, has the meaning set forth in IC 12-17.6-1-2.**

(b) "Crowd out", for purposes of IC 12-17.7, has the meaning set forth in IC 12-17.7-1-3.

SECTION 10. IC 12-7-2-69, AS AMENDED BY HEA 1913-2001, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 69. (a) "Division", except as provided in subsections (b) and (c), refers to any of the following:**

- (1) The division of disability, aging, and rehabilitative services established by IC 12-9-1-1.
- (2) The division of family and children established by IC 12-13-1-1.
- (3) The division of mental health established by IC 12-21-1-1.

(b) The term refers to the following:

- (1) For purposes of the following statutes, the division of disability, aging, and rehabilitative services established by IC 12-9-1-1:
 - (A) IC 12-9.
 - (B) IC 12-10.
 - (C) IC 12-11.
 - (D) IC 12-12.
- (2) For purposes of the following statutes, the division of family and children established by IC 12-13-1-1:
 - (A) IC 12-13.



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- (B) IC 12-14.
- (C) IC 12-15.
- (D) IC 12-16.
- (E) **IC 12-16.1.**
- (F) IC 12-17.
- ~~(F)~~ (G) IC 12-17.2.
- ~~(G)~~ (H) IC 12-17.4.
- ~~(H)~~ (I) IC 12-18.
- ~~(I)~~ (J) IC 12-19.
- ~~(J)~~ (K) IC 12-20.

(3) For purposes of the following statutes, the division of mental health and addiction established by IC 12-21-1-1:

- (A) IC 12-21.
- (B) IC 12-22.
- (C) IC 12-23.
- (D) IC 12-25.

(c) With respect to a particular state institution, the term refers to the division whose director has administrative control of and responsibility for the state institution.

(d) For purposes of IC 12-24, IC 12-26, and IC 12-27, the term refers to the division whose director has administrative control of and responsibility for the appropriate state institution.

SECTION 11. IC 12-7-2-76, AS AMENDED BY P.L.128-1999, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 76. (a) "Eligible individual", for purposes of IC 12-10-10, has the meaning set forth in IC 12-10-10-4.

(b) "Eligible individual" has the meaning set forth in IC 12-14-18-1.5 for purposes of the following:

- (1) IC 12-10-6.
- (2) IC 12-14-2.
- (3) IC 12-14-18.
- (4) IC 12-14-19.
- (5) IC 12-15-2.
- (6) IC 12-15-3.
- (7) ~~IC 12-16-3~~ **IC 12-16.1-3.**
- (8) IC 12-17-1.
- (9) IC 12-20-5.5.

SECTION 12. IC 12-7-2-76.5, AS AMENDED BY P.L.95-2000, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]: Sec. 76.5. (a) "Emergency", for purposes of IC 12-20, means an unpredictable circumstance or a series of unpredictable circumstances that:

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(1) place the health or safety of a household or a member of a household in jeopardy; and

(2) cannot be remedied in a timely manner by means other than township assistance.

(b) "Emergency", for purposes of IC 12-17.6, has the meaning set forth in IC 12-17.6-1-2.6.

(c) "Emergency", for purposes of IC 12-17.7, has the meaning set forth in IC 12-17.7-1-4.

SECTION 13. IC 12-7-2-104.5, AS ADDED BY P.L.128-1999, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 104.5. "Holocaust victim's settlement payment" has the meaning set forth in IC 12-14-18-1.7 for purposes of the following:

(1) IC 12-10-6.

(2) IC 12-14-2.

(3) IC 12-14-18.

(4) IC 12-14-19.

(5) IC 12-15-2.

(6) IC 12-15-3.

(7) ~~IC 12-16-3~~ IC 12-16.1-3.

(8) IC 12-17-1.

(9) IC 12-20-5.5.

SECTION 14. IC 12-7-2-110, AS AMENDED BY P.L.142-2000, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 110. "Hospital" means the following:

(1) For purposes of IC 12-15-11.5, the meaning set forth in IC 12-15-11.5-1.

(2) For purposes of IC 12-15-18, the meaning set forth in IC 12-15-18-2.

(3) For purposes of ~~IC 12-16~~, ~~except IC 12-16-1~~, **IC 12-16.1**, the term refers to a hospital licensed under IC 16-21.

SECTION 15. IC 12-7-2-134, AS AMENDED BY P.L.273-1999, SECTION 165, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 134. "Office" means the following:

(1) Except as provided in subdivisions (2) and (3), the office of Medicaid policy and planning established by IC 12-8-6-1.

(2) For purposes of IC 12-10-13, the meaning set forth in IC 12-10-13-4.

(3) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-4.

(4) For purposes of IC 12-17.7, the meaning set forth in

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IC 12-17.7-1-5.

SECTION 16. IC 12-7-2-146, AS AMENDED BY P.L.273-1999, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 146. "Program" refers to the following:

- (1) For purposes of IC 12-10-7, the adult guardianship services program established by IC 12-10-7-5.
- (2) For purposes of IC 12-10-10, the meaning set forth in IC 12-10-10-5.
- (3) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-5.
- (4) For purposes of IC 12-17.7, the meaning set forth in IC 12-17.7-1-6.**

SECTION 17. IC 12-7-2-149, AS AMENDED BY P.L.14-2000, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 149. "Provider" means the following:

- (1) For purposes of IC 12-10-7, the meaning set forth in IC 12-10-7-3.
- (2) For purposes of the following statutes, an individual, a partnership, a corporation, or a governmental entity that is enrolled in the Medicaid program under rules adopted under IC 4-22-2 by the office of Medicaid policy and planning:
 - (A) IC 12-14-1 through IC 12-14-9.5.
 - (B) IC 12-15, except IC 12-15-32, IC 12-15-33, and IC 12-15-34.
 - (C) IC 12-17-10.
 - (D) IC 12-17-11.
 - (E) IC 12-17.6.
 - (F) IC 12-17.7.**
- (3) For purposes of IC 12-17-9, the meaning set forth in IC 12-17-9-2.
- (4) For the purposes of IC 12-17.2, a person who operates a child care center or child care home under IC 12-17.2.
- (5) For purposes of IC 12-17.4, a person who operates a child caring institution, foster family home, group home, or child placing agency under IC 12-17.4.

SECTION 18. IC 12-7-2-164 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 164. "Resident" has the following meaning:

- (1) For purposes of IC 12-10-15, the meaning set forth in IC 12-10-15-5.
- (2) For purposes of ~~IC 12-16, except IC 12-16-1,~~ **IC 12-16.1,** an



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individual who has actually resided in Indiana for at least ninety (90) days.

(3) For purposes of IC 12-20-8, the meaning set forth in IC 12-20-8-1.

(4) For purposes of IC 12-24-5, the meaning set forth in IC 12-24-5-1.

SECTION 19. IC 12-15-15-1.1, AS AMENDED BY P.L.113-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000 (RETROACTIVE)]: Sec. 1.1. (a) This section applies to a hospital that is:

(1) licensed under IC 16-21; and

(2) established and operated under IC 16-22-2 or IC 16-23.

(b) For a state fiscal year ending after June 30, ~~1997~~, **2000**, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated ~~from the hospital's cost report filed with the office for the hospital's fiscal period ending during the state fiscal year; equal to the difference between:~~

~~(1) the amount of payments to the hospital under this article, excluding payments under IC 12-15-16 and IC 12-15-19; for services provided by the hospital during the state fiscal year; and~~

~~(2) an amount equal to the lesser of the following:~~

~~(A) The hospital's customary charges for the services described in subdivision (1);~~

~~(B) A reasonable estimate by the office of the amount that must be paid for the services described in subdivision (1) under Medicare payment principles; as follows:~~

STEP ONE: The office shall identify the aggregate services reimbursed under this article provided by hospitals established and operated under IC 16-22-2, IC 16-22-8, and IC 16-23.

STEP TWO: For the aggregate services identified under STEP ONE, the office shall calculate the aggregate payments made under this article to hospitals established and operated under IC 16-22-2, IC 16-22-8, and IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate an amount equal to one hundred fifty percent (150%) of a reasonable estimate of the amount that would have been paid in the aggregate by the office for services described in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.



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STEP FIVE: From the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount equal to one hundred percent (100%) of the difference between:

(A) the aggregate payments for covered services made under this article to the hospital during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19; and

(B) a reasonable estimate of the amount that would have been paid for the services described in clause (A) under Medicare payment principles.

The actual distribution of the amount calculated under this STEP to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under this STEP is not a condition precedent to the tender of payments to hospitals under STEP SEVEN.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

STEP SEVEN: Distribute an amount equal to the amount calculated under STEP SIX to the eligible hospitals described in subsection (c) in proportion to each hospital's hospital specific limit under 42 U.S.C. 1396r-4(g), as determined by the office.

(c) Subject to subsection (e), reimbursement under this section consists of a single payment made after the close of each state fiscal year. **Payment for a state fiscal year ending after June 30, 2000, shall be made before December 31 following the state fiscal year's end.** A payment described in this subsection is not due to a hospital unless:

(1) the hospital is licensed under IC 16-21 and is established and operated under IC 16-22-2 or IC 16-23; and

(2) an intergovernmental transfer is made under subsection (d).

(d) Subject to subsection (e), a hospital may make an intergovernmental transfer **under this subsection**, or an intergovernmental transfer may be made on behalf of the hospital, after the close of each state fiscal year. An intergovernmental transfer under this subsection shall be made to the Medicaid indigent care trust fund in an amount equal to eighty-five percent (85%) of the amount **determined to be distributed to the hospital under STEP SEVEN** of subsection (b). The intergovernmental transfer must be used to fund **the state's share of payments under this section**, a portion of the

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state's share of disproportionate share payments under IC 12-15-20-2(2), and a portion of the state's share of funding for the uninsured parents program as provided under IC 12-15-20-2(5).

(e) ~~An entity~~ **A hospital** making an intergovernmental transfer under subsection (d) may appeal under IC 4-21.5 the amount determined by the office to be paid **the hospital** under **STEP SEVEN** of subsection (b). The periods described in subsections (c) and (d) **for the hospital to make an intergovernmental transfer** are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. **The distribution to other hospitals under STEP SEVEN of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP SEVEN of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based upon estimates and trends calculated by the office.**

(f) The office may not implement this section until the federal Health Care Financing Administration has issued its approval of the amended state plan for medical assistance. The office may determine not to continue to implement this section if federal financial participation is not available.

(g) **This subsection applies to the state fiscal year beginning July 1, 2000, and ending June 30, 2001. If federal law will not permit the percentage calculation in STEP THREE of subsection (b) to be applied to all services identified in STEP ONE of subsection (b) for the state fiscal year, the amount attributable to the excluded services to which the percentage calculation does not apply shall be the maximum amount available without causing the entire amount calculated in STEP THREE of subsection (b) to exceed the applicable Medicaid upper payment limit.**

(h) **For purposes of STEP THREE of subsection (b), if federal law limits the calculation of the Medicaid upper payment limit designated for nonstate government owned or operated hospitals to a percentage less than one hundred fifty percent (150%) of a reasonable estimate of reimbursement under Medicare payment principles, the applicable maximum percentage allowed under federal law will be applied.**

SECTION 20. IC 12-15-15-9, AS AMENDED BY P.L.113-2000,



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SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9. (a) **Subject to subsections (e), (f), (g), and (h),** for each state fiscal year ~~beginning on or after July 1, 1997, ending~~ **June 30, 1998, June 30, 1999, June 30, 2000, June 30, 2001, and June 30, 2002,** a hospital is entitled to a payment under this section.

(b) **Subject to subsections (e), (f), (g), and (h),** total payments to hospitals under this section for a state fiscal year shall be equal to all amounts transferred from the **state** hospital care for the indigent fund **established under IC 12-16 or IC 12-16.1** for Medicaid current obligations during the state fiscal year, including amounts of the fund appropriated for Medicaid current obligations.

(c) The payment due to a hospital under this section must be based on a policy developed by the office. The policy:

- (1) is not required to provide for equal payments to all hospitals;
- (2) must attempt, to the extent practicable as determined by the office, to establish a payment rate that minimizes the difference between the aggregate amount paid under this section to all hospitals in a county for a state fiscal year and the amount of the county's hospital care for the indigent property tax levy for that state fiscal year; and
- (3) must provide that no hospital will receive a payment under this section less than the amount the hospital received under IC 12-15-15-8 for the state fiscal year ending June 30, 1997.

(d) Following the transfer of funds under subsection (b), an amount equal to the amount determined in the following STEPS shall be deposited in the Medicaid indigent care trust fund under IC 12-15-20-2(2) and used to fund a portion of the state's share of the disproportionate share payments to providers for the state fiscal year:

STEP ONE: Determine the difference between:

- (A) the amount transferred from the state hospital care for the indigent fund under subsection (b); and
- (B) thirty-five million dollars (\$35,000,000).

STEP TWO: Multiply the amount determined under STEP ONE by the federal medical assistance percentage for the state fiscal year.

(e) **If funds are transferred under IC 12-16-14.1-2(e), those funds must be used for the state's share of funding for payments to hospitals under this subsection. A payment under this subsection shall be made to all hospitals that received a payment under this section for the state fiscal year beginning July 1, 2001, and ending June 30, 2002. Payments under this subsection shall be in proportion to each hospital's payment under this section for the**

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state fiscal year beginning July 1, 2001, and ending June 30, 2002.

(f) If the office of the uninsured parents program established by IC 12-17.7-2-1 does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, 2003, and funds are transferred under IC 12-16-14.1-3, a hospital is entitled to a payment under this section for the state fiscal year beginning on July 1, 2002. Payments under this subsection shall be made after July 1, 2003, but before December 31, 2003.

(g) If the office does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, 2003, a hospital is entitled to a payment under this section for state fiscal years ending after June 30, 2003.

(h) If funds are transferred under IC 12-17.7-9-2, those funds shall be used for the state's share of payments to hospitals under this subsection. A payment under this subsection shall be made to all hospitals that received a payment under this section for the state fiscal year beginning July 1, 2001, and ending June 30, 2002. Payments under this subsection shall be in proportion to each hospital's payment under this section for the state fiscal year beginning July 1, 2001, and ending June 30, 2002.

SECTION 21. IC 12-15-15-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]: **Sec. 11. Hospitals licensed under IC 16-21 that are established and operated under IC 16-22, IC 16-22-8, or IC 16-23 are nominal charge hospitals for purposes of the Medicaid program.**

SECTION 22. IC 12-15-16-2, AS AMENDED BY P.L.113-2000, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000 (RETROACTIVE)]: **Sec. 2. (a) For purposes of disproportionate share eligibility, a provider's Medicaid inpatient utilization rate is a fraction (expressed as a percentage) where:**

- (1) the numerator is the provider's total number of Medicaid inpatient days in the most recent year for which an audited cost report is on file with the office; and
- (2) the denominator is the total number of the provider's inpatient days in the most recent year for which an audited cost report is on file with the office.

(b) For purposes of this section, "**Medicaid inpatient days**" includes **all acute care days provided by an acute care excluded distinct part subprovider unit of the provider and inpatient days attributable to Medicaid beneficiaries from other states.** The term also includes inpatient days attributable to:

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(1) ~~Medicaid managed care recipients; and~~

(2) ~~Medicaid eligible patients;~~

attributable to individuals eligible for Medicaid benefits under a state plan approved under 42 U.S.C. 1396a on the days of service:

(1) whether attributable to individuals eligible for Medicaid in Indiana or any other state;

(2) even if the office did not make payment for any services, including inpatient days that are determined to be medically necessary but for which payment is denied by the office for other reasons; and

(3) including days attributable to Medicaid beneficiaries receiving services through a managed care organization or health maintenance organization.

However, a day is not a Medicaid inpatient day for purposes of this section if the patient was entitled to both Medicare Part A (as defined in 42 U.S.C. 1395c) and Medicaid on that day.

SECTION 23. IC 12-15-16-3, AS AMENDED BY P.L.113-2000, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) For purposes of disproportionate share eligibility, a provider's low income utilization rate is the sum of the following, based on the most recent year for which an audited cost report is on file with the office:

(1) A fraction (expressed as a percentage) for which:

(A) the numerator is the sum of:

(i) the total Medicaid patient revenues paid to the provider; plus

(ii) the amount of the cash subsidies received directly from state and local governments, including payments made under the hospital care for the indigent program (IC 12-16-2) **(before its repeal)**; and

(B) the denominator is the total amount of the provider's patient revenues paid to the provider, including cash subsidies; and

(2) A fraction (expressed as a percentage) for which:

(A) the numerator is the total amount of the provider's charges for inpatient services that are attributable to care provided to individuals who have no source of payment; and

(B) the denominator is the total amount of charges for inpatient services.

(b) The numerator in subsection (a)(1)(A) does not include contractual allowances and discounts other than for indigent patients not eligible for Medicaid.

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SECTION 24. IC 12-15-19-2.1, AS ADDED BY P.L.113-2000, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000 (RETROACTIVE)]: Sec. 2.1. (a) For each state fiscal year ending on or after June 30, 2000, the office shall develop a disproportionate share payment methodology that ensures that each hospital qualifying for disproportionate share payments under IC 12-15-16-1(a) timely receives total disproportionate share payments that do not exceed the hospital's hospital specific limit provided under 42 U.S.C. 1396r-4(g). The payment methodology as developed by the office must:

- (1) maximize disproportionate share hospital payments to qualifying hospitals to the extent practicable;
- (2) take into account the situation of those qualifying hospitals that have historically qualified for Medicaid disproportionate share payments; and
- (3) ensure that payments net of intergovernmental transfers made by or on behalf of qualifying hospitals are equitable.

(b) Total disproportionate share payments to a hospital under this chapter shall not exceed the hospital specific limit provided under 42 U.S.C. 1396r-4(g). The hospital specific limit for a state fiscal year shall be determined by the office taking into account data provided by each hospital that is considered reliable by the office based on a system of periodic audits, the use of trending factors, and an appropriate base year determined by the office. The office may require independent certification of data provided by a hospital to determine the hospital's hospital specific limit.

(c) The office shall include a provision in each amendment to the state plan regarding Medicaid disproportionate share payments that the office submits to the federal Health Care Financing Administration that, as provided in 42 CFR 447.297(d)(3), allows the state to make additional disproportionate share expenditures after the end of each federal fiscal year that relate back to a prior federal fiscal year. However, the total disproportionate share payments to:

- (1) each individual hospital; and
- (2) all qualifying hospitals in the aggregate;

may not exceed the limits provided by federal law and regulation.

(d) The office shall, in each state fiscal year, provide sufficient funds that, when added to the federal medical assistance percentage figure described in 42 U.S.C. 1396d(b), total a minimum of twenty-six million dollars (\$26,000,000) as the state's share of Medicaid disproportionate share expenditures for acute care hospitals licensed under IC 16-21 and private psychiatric institutions licensed under

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~~IC 12-25~~ that qualify for disproportionate share payments under IC 12-15-16-1(a). **Funds provided under this subsection:**

- (1) do not include funds transferred by other governmental units to the Medicaid indigent care trust fund; and**
- (2) must be in an amount equal to the amount that results from the following calculation:**

STEP ONE: Multiply twenty-six million dollars (\$26,000,000) by the federal medical assistance percentage.

STEP TWO: Subtract the amount determined under STEP ONE from twenty-six million dollars (\$26,000,000).

SECTION 25. IC 12-15-19-10, AS AMENDED BY P.L.113-2000, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000 (RETROACTIVE)]: Sec. 10. (a) ~~This subsection applies~~ For the state fiscal year beginning July 1, 1999, and ending June 30, 2000, ~~if the state exceeds the state disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)) or the state limit on disproportionate share expenditures for institutions for mental diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall pay providers as follows:~~

(1) The state shall make disproportionate share provider payments to municipal disproportionate share providers qualifying under IC 12-15-16-1(b) until the state exceeds the state disproportionate share allocation ~~The total amount paid to municipal disproportionate share providers under IC 12-15-16-1(b) may not exceed twenty-two million dollars (\$22,000,000); (as defined in 42 U.S.C. 1396r-4(f)(2)).~~

(2) After the state makes all payments under subdivision (1), if the state fails to exceed the state disproportionate share allocation **(as defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on disproportionate share expenditures for institutions for mental diseases (as defined in 42 U.S.C. 1396r-4(h))**, the state shall make community mental health center disproportionate share provider payments to providers qualifying under IC 12-15-16-1(c). The total paid to the qualified community mental health center disproportionate share providers under section 9(a) of this chapter, including the amount of expenditures certified as being eligible for federal financial participation under IC 12-15-18-5.1(e), ~~may not exceed~~ **must be at least** six million dollars (\$6,000,000).

(3) After the state makes all payments under subdivision (2), if the state fails to exceed the state disproportionate share allocation **(as defined in 42 U.S.C. 1396r-4(f)(2))**, the state shall make

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disproportionate share provider payments to providers qualifying under IC 12-15-16-1(a).

(b) ~~This subsection applies~~ For state fiscal years beginning after June 30, 2000, ~~if the state exceeds the state disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)) or the state limit on disproportionate share expenditures for institutions for mental diseases (as defined in 42 U.S.C. 1396r-4(h)),~~ the state shall pay providers as follows:

(1) The state shall make **municipal** disproportionate share provider payments to providers qualifying under ~~IC 12-15-16-1(a)~~ **IC 12-15-16-1(b)** until the state exceeds the state disproportionate share allocation **(as defined in 42 U.S.C. 1396r-4(f)(2))**.

(2) After the state makes all payments under subdivision (1), if the state fails to exceed the state disproportionate share allocation **(as defined in 42 U.S.C. 1396r-4(f)(2))**, the state shall make ~~municipal~~ disproportionate share provider payments to providers qualifying under ~~IC 12-15-16-1(b)~~ **IC 12-15-16-1(a)**.

(3) After the state makes all payments under subdivision (2), if the state fails to exceed the state disproportionate share allocation **(as defined in 42 U.S.C. 1396r-4(f)(2))**, **or the state limit on disproportionate share expenditures for institutions for mental diseases (as defined in 42 U.S.C. 1396r-4(h))**, the state shall make community mental health center disproportionate share provider payments to providers qualifying under IC 12-15-16-1(c).

SECTION 26. IC 12-15-20-2, AS AMENDED BY P.L.113-2000, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000 (RETROACTIVE)]: Sec. 2. The Medicaid indigent care trust fund is established to pay the state's share of the following:

(1) Enhanced disproportionate share payments to providers under IC 12-15-19-1.

(2) **Subject to subdivision (5)**, disproportionate share payments to providers under IC 12-15-19-2.1.

(3) Medicaid payments for pregnant women described in IC 12-15-2-13 and infants and children described in IC 12-15-2-14.

(4) Municipal disproportionate share payments to providers under IC 12-15-19-8.

(5) **Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund under IC 12-15-15-1.1(d), the following apply:**

(A) **The entirety of the intergovernmental transfers**

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deposited into the Medicaid indigent care trust fund under IC 12-15-15-1.1(d) for state fiscal years ending on or before June 30, 2000, shall be used to fund the state's share of the disproportionate share payments to providers under IC 12-15-19-2.1.

(B) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund under IC 12-15-15-1.1(d) for state fiscal years ending after June 30, 2000, an amount equal to one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund under IC 12-15-15-1.1(d) for the state fiscal year beginning July 1, 1998, and ending June 30, 1999, shall be used to fund the state's share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers under IC 12-15-15-1.1(d) for the state fiscal year shall be transferred to the state uninsured parents program fund established under IC 12-17.8-2-1 to fund the state's share of funding for the uninsured parents program established under IC 12-17.7.

(C) If the office does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, 2003, the intergovernmental transfers transferred to the state uninsured parents program fund under clause (B) shall be returned to the Medicaid indigent care trust fund to be used to fund the state's share of Medicaid add-on payments to hospitals licensed under IC 16-21 under a payment methodology which shall be developed by the office.

(D) If funds are transferred under IC 12-17.7-9-2 or IC 12-17.8-2-4(c) to the Medicaid indigent care trust fund, the funds shall be used to fund the state's share of Medicaid add-on payments to hospitals licensed under IC 16-21 under a payment methodology which the office shall develop.

SECTION 27. IC 12-16-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. **Except as provided in sections 3.4 and 3.7 of this chapter**, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

- (1) the hospital care for the indigent property tax levy imposed for taxes first due and payable in the preceding year; multiplied by
- (2) the statewide average assessed value growth quotient; using all the county assessed value growth quotients determined under



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~~IC 6-1.1-18.5-2~~ for the year in which the tax levy under this section will be first due and payable:

(1) for the initial annual levy under this chapter after July 1, 2002:

(A) a levy equal to ninety percent (90%) of the hospital care for the indigent property tax levy for taxes first due and payable in calendar year 2002; multiplied by

(B) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under ~~IC 6-1.1-18.5-2~~ for the year in which the tax levy under this subdivision will be first due and payable; and

(2) for all subsequent annual levies under this section:

(A) a levy equal to the hospital care for the indigent program property tax levy for taxes first due and payable in the preceding calendar year; multiplied by

(B) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under ~~IC 6-1.1-18.5-2~~ for the year in which the tax levy under this subdivision will be first due and payable.

SECTION 28. IC 12-16-14-3.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.4. A county having a population of at least four hundred thousand (400,000) but less than seven hundred thousand (700,000) shall have a hospital care for the indigent property tax levy equal to the product of:

(1) for the initial annual levy under this chapter following July 1, 2002, a levy equal to:

(A) the difference between:

(i) the hospital care for the indigent property tax levy for taxes first due and payable in calendar year 2002; minus

(ii) four million dollars (\$4,000,000); multiplied by

(B) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under ~~IC 6-1.1-18.5-2~~ for the year in which the tax levy under this subdivision will be first due and payable; and

(2) for all subsequent annual levies under this section:

(A) a levy equal to the hospital care for the indigent program levy for taxes first due and payable in the preceding calendar year; multiplied by

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(B) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable.

SECTION 29. IC 12-16-14-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 3.7. A county having a population of at least two hundred thousand (200,000) but less than three hundred thousand (300,000) shall have a hospital care for the indigent property tax levy equal to the product of:**

(1) for the initial annual levy under this chapter following July 1, 2002, a levy equal to:

(A) the difference between:

(i) the hospital care for the indigent property tax levy for taxes first due and payable in calendar year 2002; minus

(ii) one million dollars (\$1,000,000); multiplied by

(B) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable; and

(2) for all subsequent annual levies under this section:

(A) a levy equal to the hospital care for the indigent program levy for taxes first due and payable in the preceding calendar year; multiplied by

(B) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable.

SECTION 30. IC 12-16-14.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 14.1. Transfer of Funds to Uninsured Parents Program

Sec. 1. (a) All funds in a county hospital care for the indigent fund on July 1, 2002, derived from taxes levied under IC 12-16-14-1(1) or allocated under IC 12-16-14-1(2) shall be immediately transferred to the state hospital care for the indigent fund.

(b) Subject to subsection (d), beginning July 1, 2002, all tax receipts derived from taxes levied under IC 12-16-14-1(1) that are

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first due and payable in calendar year 2002 or earlier, or allocated under IC 12-16-14-1(2) in calendar year 2002 or earlier, shall be paid into the county general fund. Before the fifth day of each month, all of the tax receipts paid into the general fund under this subdivision during the preceding month shall be transferred to the state hospital care for the indigent fund.

(c) All tax receipts derived from taxes levied under IC 12-16-14-1(1) that are first due and payable after calendar year 2002, or allocated under IC 12-16-14-1(2) after calendar year 2002, shall be paid into the county general fund. Before the fifth day of each month, all of the tax receipts paid into the general fund under this subdivision during the preceding month shall be transferred to the state uninsured parents program fund established by IC 12-17.8-2-1.

(d) If the state hospital care for the indigent fund is closed under section 2(d) of this chapter at the time a transfer of receipts is to be made to the fund, the receipts shall be transferred to the state uninsured parents program fund established by IC 12-17.8-2-1.

Sec. 2. (a) Subject to subsections (b), (c), and (e), and subject to the requirements of IC 12-15-15-9(b) regarding appropriations from the state hospital care for the indigent fund for Medicaid current obligations, beginning July 1, 2002, all funds deposited in the state hospital care for the indigent fund derived from taxes levied under IC 12-16-14-1(1) or allocated under IC 12-16-14-1(2) shall be used by the division to pay claims for services:

- (1) eligible for payment under the hospital care for the indigent program under IC 12-16-2 (before its repeal); and
- (2) provided before July 1, 2002.

(b) This section may not delay, limit, or reduce the following:

- (1) Any appropriation required under state law from the state hospital care for the indigent fund for Medicaid current obligations for the state fiscal years beginning July 1, 2000, and July 1, 2001, for purposes of payments under IC 12-15-15-9(a) through IC 12-15-15-9(d) for the state fiscal years beginning July 1, 2000, and July 1, 2001.
- (2) The transfer of additional funds from the state hospital care for the indigent fund for Medicaid current obligations anticipated under IC 12-15-15-9(b) for purposes of IC 12-15-15-9(a) through IC 12-15-15-9(d) for the state fiscal years beginning July 1, 2000, and July 1, 2001.
- (3) For state fiscal years beginning after June 30, 2002, any other appropriation required under state law from the state

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hospital care for the indigent fund for the uninsured parents program established under IC 12-17.7-2-2.

(c) The division shall cooperate with the office in causing the appropriations and transfers from the state hospital care for the indigent fund described in subsection (b) to occur.

(d) The state hospital care for the indigent fund shall close upon the earlier of the following:

(1) The payment of all funds in the fund.

(2) The payment of all claims for services provided before July 1, 2002, that were eligible for payment under the hospital care for the indigent program under IC 12-16-2 (before its repeal).

(e) Notwithstanding subsection (d) and IC 12-16.1, if at any time before the closing of the state hospital care for the indigent fund the amount of funds on deposit exceeds the amount necessary to pay the claims for services provided before July 1, 2002, that were eligible for payment under the hospital care for the indigent program under IC 12-16 (before its repeal), those excess funds shall be transferred from the fund for use as the state's share of funding for payments to hospitals under IC 12-15-15-9(e). Subject to the operation of sections 5 and 6 of this chapter, amounts deposited in the state hospital care for the indigent fund under IC 12-16.1 are not subject to this subsection.

(f) Upon the closing of the state hospital care for the indigent fund, no further obligation shall be owed under the hospital care for the indigent program under IC 12-16-2 (before its repeal).

Sec. 3. If the office does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, 2003, the amounts transferred under this chapter to the state uninsured parents program fund established by IC 12-17.8-2-1 shall be distributed as follows:

STEP ONE: Calculate the total amount of funds deposited in the state hospital care for the indigent fund for the period of July 1, 2000, through June 30, 2001.

STEP TWO: Of the funds calculated under STEP ONE, calculate the percentage of those funds transferred from the state hospital care for the indigent fund for purposes of funding Medicaid obligations and payments under IC 12-15-15-9 for the state fiscal year beginning July 1, 2000.

STEP THREE: Multiply an amount equal to the amounts transferred under this chapter to the state uninsured parents program fund by the percentage calculated under STEP

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STEP FOUR: Transfer an amount equal to one hundred percent (100%) of the amount calculated under STEP THREE for purposes of funding the state's share of payments under IC 12-15-15-9(f).

STEP FIVE: Transfer the funds remaining after the transfer under STEP FOUR to the state hospital care for the indigent fund established under IC 12-16.1-13-3.

Sec. 4. Notwithstanding IC 12-16-14, this chapter governs the distribution of taxes levied under IC 12-16-14-1(1) or allocated under IC 12-16-14-1(2).

Sec. 5. If the office does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, 2003:

- (1) the transfer of funds under this chapter will cease on July 1, 2003;
- (2) all tax receipts on deposit in a county general fund under section 1(b) of this chapter shall be immediately transferred to the state hospital care for the indigent fund for use as provided in section 2 of this chapter or, if the state hospital care for the indigent fund is closed, to the state uninsured parents program fund;
- (3) on July 1, 2003, all tax receipts on deposit in a county general fund under section 1(c) of this chapter shall be immediately transferred to the state uninsured parents program fund for distribution under section 3 of this chapter; and
- (4) all funds deposited in the state hospital care for the indigent fund shall be used as provided in section 2 of this chapter.

Sec. 6. If the uninsured parents program implemented and maintained under IC 12-17.7 terminates under IC 12-17.7-9-1:

- (1) all transfers under this chapter will cease immediately;
- (2) all tax receipts on deposit in a county general fund under section 1(b) of this chapter shall be immediately transferred to the state hospital care for the indigent fund for use as provided in section 2 of this chapter or, if the state hospital care for the indigent fund is closed, to the state uninsured parents program fund;
- (3) all tax receipts on deposit in a county general fund under section 1(c) of this chapter shall be immediately transferred to the state uninsured parents program fund; and
- (4) all funds deposited in the state hospital care for the

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indigent fund shall be used as provided in section 2 of this chapter.

SECTION 31. IC 12-16.1 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

ARTICLE 16.1. HOSPITAL CARE FOR THE INDIGENT

Chapter 1. Applicability

Sec. 1. (a) This article applies only if:

- (1) the office does not implement the uninsured parents program as provided for in IC 12-17.7 before July 1, 2003; or**
- (2) the uninsured parents program is terminated under IC 12-17.7-9.**

(b) If the office implements the uninsured parents program as provided for in IC 12-17.7 and the program is terminated under IC 12-17.7-9, this article applies beginning on the date that the program is terminated.

Chapter 2. Administration and General Provisions

Sec. 1. The division shall administer the hospital care for the indigent program under this article.

Sec. 2. The division shall adopt necessary forms to be used by the patients, hospitals, physicians, and county offices in carrying out the hospital care for the indigent program.

Sec. 3. The following persons have the same rights and obligations with respect to the hospital care for the indigent program as the persons have with respect to the Medicaid program under IC 12-15-8 and IC 12-15-29:

- (1) The division.**
- (2) Applicants and recipients of assistance.**
- (3) Insurers.**
- (4) Persons against whom applicants and recipients of assistance have claims.**
- (5) The office of Medicaid policy and planning.**

Sec. 4. To the extent permitted under federal statutes or regulations, patient days for patients under the hospital care for the indigent program shall be included in calculating allowable disproportionate share additional payments under 42 U.S.C. 1395ww(d).

Sec. 5. The hospital care for the indigent program does not apply to inmates and patients of institutions of the department of correction, the state department of health, the division of mental health, or the division of disability, aging, and rehabilitative services.

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Chapter 3. Eligibility for Assistance

Sec. 1. (a) An Indiana resident who meets the income and resource standards established by the division under section 3 of this chapter is eligible for assistance to pay for any part of the cost of care provided in a hospital in Indiana that was necessitated after the onset of a medical condition that was manifested by symptoms of sufficient severity that the absence of immediate medical attention would probably result in any of the following:

- (1) Placing the individual's life in jeopardy.
- (2) Serious impairment to bodily functions.
- (3) Serious dysfunction of a bodily organ or part.

(b) A qualified resident is also eligible for assistance to pay for the part of the cost of care that is a direct consequence of the medical condition that necessitated the emergency care.

Sec. 2. (a) An individual who is not an Indiana resident is eligible for assistance to pay for the part of the cost of care provided in a hospital in Indiana that was necessitated after the onset of a medical condition that was manifested by symptoms of sufficient severity that the absence of immediate medical attention would probably result in any of the following:

- (1) Placing the individual's life in jeopardy.
- (2) Serious impairment to bodily functions.
- (3) Serious dysfunction of any bodily organ or part.

(b) An individual is eligible for assistance under subsection (a) only if the following qualifications exist:

- (1) The individual meets the income and resource standards established by the division under section 3 of this chapter.
- (2) The onset of the medical condition that necessitated medical attention occurred in Indiana.

Sec. 3. (a) The division shall adopt rules under IC 4-22-2 to establish income and resource eligibility standards for patients whose care is to be paid for under the hospital care for the indigent program.

(b) To the extent possible, rules adopted under this section must meet the following conditions:

- (1) Be consistent with IC 12-15-21-2 and IC 12-15-21-3.
- (2) Be adjusted at least one (1) time every two (2) years.

(c) The income and eligibility standards established under this section do not include any spend down provisions available under IC 12-15-21.

(d) In addition to the conditions imposed under subsection (b), rules adopted under this section must exclude a Holocaust victim's



settlement payment received by an eligible individual from the income and eligibility standards for patients whose care is to be paid for under the hospital care for the indigent program.

Sec. 4. A hospital shall provide a patient and, if the patient is not able to understand the statement, the patient's representative with a statement of the eligibility and benefit standards adopted by the division if at least one (1) of the following occurs:

- (1) The hospital has reason to believe that the patient may be indigent.
- (2) The patient requests a statement of the standards.

Chapter 4. Application for Assistance

Sec. 1. To receive payment from the division for the costs incurred in providing care to an indigent person, a hospital must file an application with the county office of the county in which the hospital is located.

Sec. 2. A hospital must file the application with a county office not more than thirty (30) days after the patient has been admitted to the hospital, unless the patient is medically unable to sign the application and the next of kin or legal representative of the patient is unavailable.

Sec. 3. The division shall adopt rules under IC 4-22-2 prescribing the following:

- (1) The form of an application.
- (2) The establishment of procedures for applications.
- (3) The time for submitting and processing claims.

Sec. 4. The division and a county office shall make application forms available to a hospital upon request.

Sec. 5. A hospital or an attending physician may assist the patient in the preparation of an application for assistance under the hospital care for the indigent program.

Sec. 6. A person who in good faith provides assistance in the completion of an application under this chapter is immune from civil or criminal liability arising from the assistance.

Sec. 7. (a) A patient must sign an application if the patient is medically able to sign.

(b) If a patient is medically unable to sign an application, the patient's next of kin or a legal representative of the patient, if available, may sign the application.

(c) If no person under subsections (a) and (b) is able to sign the application to file a timely application, a hospital representative may sign the application instead of the patient.

Sec. 8. (a) A patient may file an application directly with the

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county office in the county where the hospital providing care is located if the application is filed not more than thirty (30) days after the patient's admission to the hospital.

(b) Reimbursement for the costs incurred in providing care to an eligible person may only be made to the providers of the care.

Chapter 5. Eligibility Determinations; Investigations

Sec. 1. A county office shall, upon receipt of an application of a patient admitted to a hospital, promptly investigate to determine the patient's eligibility under the hospital care for the indigent program.

Sec. 2. (a) The hospital providing medical care to a patient shall provide to the county office any information the hospital has that would assist in the verification of indigency of a patient.

(b) A hospital that provides information under subsection (a) is immune from civil and criminal liability for divulging the information.

Sec. 3. If the division or county office is unable, after prompt and diligent efforts, to verify information contained in the application that is reasonably necessary to determine eligibility, the division or county office may deny assistance under the hospital care for the indigent program.

Sec. 4. The division or county office shall notify, in writing, the patient and the hospital of the following:

- (1) A decision concerning eligibility.
- (2) The reasons for a denial of eligibility.
- (3) That either party has the right to appeal the decision.

Chapter 6. Denial of Eligibility; Appeals; Judicial Review

Sec. 1. If the division or county office determines that a patient is not eligible for payment of medical or hospital care, an affected person may appeal to the division not later than ninety (90) days after the mailing of notice of that determination to the affected person at the person's last known address.

Sec. 2. If the division or county office:

- (1) fails to complete an investigation and determination of eligibility under the hospital care for the indigent program within forty-five (45) days after the receipt of the application filed under IC 12-16.1-4; or
- (2) fails or refuses to accept responsibility for payment of medical or hospital care under the hospital care for the indigent program;

a person affected may appeal to the division not more than ninety (90) days after the receipt of the application filed under

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IC 12-16.1-4.

Sec. 3. The division shall fix a time and place for a hearing before a hearing officer appointed by the director of the division.

Sec. 4. A notice of the hearing shall be served upon all persons interested in the matter at least twenty (20) days before the time fixed for the hearing.

Sec. 5. (a) Following the hearing, the division shall determine the eligibility of the person for payment of the cost of medical or hospital care under the hospital care for the indigent program.

(b) If the person is found eligible, the division shall pay the reasonable cost of the care to the persons furnishing the care, subject to the limitations in IC 12-16.1-7.

Sec. 6. A person aggrieved by a determination under section 5(a) of this chapter may appeal the determination under IC 4-21.5.

Sec. 7. (a) The division shall adopt rules under IC 4-22-2 that provide for an administrative appeal procedure that is responsive to the needs of patients and providers.

(b) The procedure must provide for the following:

- (1)** The location of hearings.
- (2)** The presentation of evidence.
- (3)** The use of telecommunications.

Chapter 7. Cost of Care and Payment

Sec. 1. The division shall pay the following, subject to the limitations in section 4 of this chapter:

- (1)** The necessary costs of medical or hospital care for indigent patients.
- (2)** The cost of transportation to the place of treatment arising out of the medical or hospital care for indigent patients.

Sec. 2. (a) Except as provided in section 5 of this chapter, claims for payment shall be segregated by year using the patient's admission date.

(b) Each year, the division shall pay claims as provided in section 4 of this chapter without regard to the county of admission or that county's transfer to the state fund.

Sec. 3. A payment made to a hospital under the hospital care for the indigent program must be on a warrant drawn on the state hospital care for the indigent fund established under IC 12-16-14.

Sec. 4. (a) Each year, the division shall pay two-thirds (2/3) of each claim upon submission and approval of the claim.

(b) If the amount of money in the state hospital care for the indigent fund in a year is insufficient to pay two-thirds (2/3) of each approved claim for patients admitted in that year, the state's and

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a county's liability to providers under the hospital care for the indigent program for claims approved for patients admitted in that year is limited to the sum of the following:

- (1) The amount transferred to the state hospital care for the indigent fund from county hospital care for the indigent funds in that year under IC 12-16.1-13.
- (2) Any contribution to the fund in that year.
- (3) Any amount that was appropriated to the state hospital care for the indigent fund for that year by the general assembly.
- (4) Any amount that was carried over to the state hospital care for the indigent fund from a preceding year.

(c) This section does not obligate the general assembly to appropriate money to the state hospital care for the indigent fund.

Sec. 5. Before the end of each state fiscal year, the division shall, to the extent there is money in the state hospital care for the indigent fund, pay each provider under the hospital care for the indigent program a pro rata part of the one-third (1/3) balance on each approved claim for patients admitted during the preceding year.

Sec. 6. If:

- (1) a claim for a patient admitted during a particular year is not submitted by the deadline established by the division; and
- (2) the failure to submit the claim is not the fault of the provider;

the claim shall be considered a claim for the year the claim is submitted for purposes of payment under this chapter.

Sec. 7. The division and a county office are not responsible under the hospital care for the indigent program for the payment of any part of the costs of providing care in a hospital to an individual who is not either of the following:

- (1) A citizen of the United States.
- (2) A lawfully admitted alien.

Sec. 8. The division and a county office are not liable for any part of the cost of care provided to an individual who has been determined to be a patient described in the rules adopted under IC 12-16.1-9.

Sec. 9. IC 12-16.1-2 through IC 12-16.1-14 do not affect the liability of a county with respect to claims for hospital care for the indigent for patients admitted before January 1, 1987.

Sec. 10. (a) The budget agency shall estimate for each fiscal year the cost savings to the state hospital care for the indigent fund as

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the result of the provision of Medicaid to an individual described in IC 12-15-2-12 and IC 12-15-2-13.

(b) The budget agency shall, each fiscal year, recommend to the general assembly that an amount equal to the cost savings described in subsection (a) be transferred from the state hospital care for the indigent fund to the state general fund.

Sec. 11. Providers eligible for payment under IC 12-15-15-9 may not receive payment under this chapter and are not subject to IC 12-16.1-3, IC 12-16.1-4, and IC 12-16.1-5.

Sec. 12. All providers receiving payment under this chapter agree to accept, as payment in full, the amount paid for the hospital care for the indigent program for those claims submitted for payment under the program, with the exception of authorized deductibles, co-insurance, co-payment, or similar cost sharing charges.

Chapter 8. Rate of Payment

Sec. 1. The rate of payment for the services and materials provided by hospitals and physicians under the hospital care for the indigent program is the same rate as payment for the same type of services and materials under the rules adopted by the secretary under Medicaid.

Chapter 9. Rules

Sec. 1. The division shall, with the advice of the division's medical staff, the division of mental health, the division of disability, aging, and rehabilitative services, and other individuals selected by the director of the division, adopt rules under IC 4-22-2 to do the following:

- (1) Provide for review and approval of services paid under the hospital care for the indigent program.
- (2) Establish limitations consistent with medical necessity on the duration of services to be provided.
- (3) Specify the amount of and method for reimbursement for services.
- (4) Specify the conditions under which payments will be denied and improper payments will be recovered.

Sec. 2. To the extent possible, rules adopted under section 1 of this chapter must be consistent with IC 12-15-21-2 and IC 12-15-21-3.

Sec. 3. The rules adopted under section 1 of this chapter must include rules that will deny payment for services provided to a patient after the patient is medically stable and can safely be discharged.



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Sec. 4. (a) The division shall adopt rules under IC 4-22-2 necessary to establish a statewide collection system of data concerning the hospital care for the indigent program.

(b) The following data must be collected:

(1) Patient demographics.

(2) Types of services provided by hospitals.

(3) Costs of particular types of services provided by hospitals.

(c) A hospital that provides services under the hospital care for the indigent program shall file copies of all claims submitted under the program with the contractor engaged by the division to adjudicate claims.

Sec. 5. The division may adopt rules under IC 4-22-2 that are in addition to and consistent with the rules required to be adopted under IC 12-16.1-6 governing appeals brought under the hospital care for the indigent program to the division.

Chapter 10. Recovery of Payments by Division

Sec. 1. The division may recover amounts paid under the hospital care for the indigent program by the division from the following:

(1) A patient approved for assistance.

(2) A person legally responsible for those patients approved for assistance.

(3) The estate of the patient or person.

Sec. 2. The division is subrogated, to the extent of the assistance given by the division, to the rights that a patient receiving assistance under the hospital care for the indigent program has against any other person who is in any part liable for the illness or injury for which assistance was granted.

Chapter 11. County With Health and Hospital Corporation; Responsibility for Medical Cost

Sec. 1. This chapter applies to a county having a health and hospital corporation created under IC 16-22-8-6.

Sec. 2. The division is responsible for the emergency medical care given in a hospital to an individual who qualifies for assistance under this chapter, subject to the limitations in IC 12-16.1-7.

Sec. 3. The hospital providing care shall transfer the patient to a hospital operated by the health and hospital corporation as soon as the attending physician determines that the patient's medical condition permits the transfer without risk of injury to the patient.

Sec. 4. (a) If a hospital owned by the health and hospital corporation is:

(1) unable to care for a patient; or

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(2) unable to treat a patient at the time a transfer is requested by the hospital initiating treatment;
the hospital initiating treatment may continue to treat the patient until the patient's discharge.

(b) Subject to the limitations in IC 12-16.1-7, the division shall pay the costs of care.

Sec. 5. The division is not responsible for the following:

(1) The payment of nonemergency medical costs, except as provided under the hospital care for the indigent program.

(2) The payment of medical costs accrued at a hospital owned or operated by a health and hospital corporation, except for hospital care provided under this chapter to a person not residing in Marion County.

Chapter 12. Immunity

Sec. 1. A hospital, a physician, or an agent or employee of a hospital or physician that provides services in good faith under the hospital care for the indigent program is immune from liability to the extent the liability is attributable to at least one (1) of the following:

(1) The requirement that a patient be transferred under IC 12-16.1-11.

(2) The denial of payment under IC 12-16.1-9.

Sec. 2. Section 1(1) of this chapter does not limit liability for the determination that the patient's medical condition permits a transfer under IC 12-16.1-11.

Chapter 13. Property Tax Levy and Funds

Sec. 1. The state board of tax commissioners shall review each county's property tax levy under IC 12-16-14-1(1) and shall enforce the requirements of this chapter with respect to that levy.

Sec. 2. All receipts derived from the tax levy under IC 12-16-14-1(1) and allocated under IC 12-16-14-1(2) shall be paid into the county general fund and constitute the county hospital care for the indigent fund under this article.

Sec. 3. (a) Before the fifth day of each month, all money contained in a county hospital care for the indigent fund at the end of the preceding month shall be transferred to the state hospital care for the indigent fund.

(b) If the state hospital care for the indigent fund is closed under IC 12-16-14.1-2(d), a new state hospital care for the indigent fund is established under this article.

Sec. 4. (a) Subject to IC 12-16-14.1-5(4) and IC 12-16-14.1-6(4), the state hospital care for the indigent fund under this article



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consists of the following:

- (1) Money transferred to the state hospital care for the indigent fund from the county hospital care for the indigent funds.
- (2) Any contributions to the fund from individuals, corporations, foundations, or others for the purpose of providing hospital care for the indigent.
- (3) Money advanced to the fund under IC 12-16.1-14.
- (4) Appropriations made specifically to the fund by the general assembly.

(b) This section does not obligate the general assembly to appropriate money to the state hospital care for the indigent fund.

Sec. 5. The division shall administer the state hospital care for the indigent fund and shall use the money currently in the fund to defray the expenses and obligations incurred by the division for hospital care for the indigent. The money in the fund is hereby appropriated.

Sec. 6. Money in the state hospital care for the indigent fund at the end of a state fiscal year remains in the fund and does not revert to the state general fund.

Sec. 7. (a) Notwithstanding:

- (1) IC 12-16-14-3;
- (2) IC 12-16-14-3.4; and
- (3) IC 12-16-14-3.7;

as added by SEA 561-2001, IC 12-16-14-3, as in effect on June 30, 2002, applies to this article.

(b) For purposes of the initial application of IC 12-16-14-3(1) under this article, the hospital care for the indigent property tax imposed by a county shall be equal to the tax the county would be imposing under IC 12-16-14-3 in the state fiscal year this article initially applies if SEA 561-2001 had not amended IC 12-16-14-3 or added IC 12-16-14-3.4 and IC 12-16-14-3.7.

Chapter 14. Advancements From State Fund

Sec. 1. The division may request an advancement of money from the state general fund in anticipation of county property tax revenue being transferred to the state hospital care for the indigent fund.

Sec. 2. (a) The budget director shall determine an interest rate that is at least the interest rate earned by the state on investments made from money in the state general fund.

(b) The interest rate shall be paid on the amount that is advanced from the state general fund.



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Sec. 3. The amount that may be advanced, plus the projected interest on that amount, may not exceed the amount of county property tax revenue that is expected to be transferred to the state hospital care for the indigent fund during the six (6) months following the date of the request.

Sec. 4. A request for an advancement must be submitted to the budget agency.

Sec. 5. The state board of finance may, on the recommendation of the director of the budget agency, approve an advancement.

Sec. 6. If an advancement is approved, the county property tax revenue transferred to the state hospital care for the indigent fund shall be immediately used to repay the amount of the interest and advancements made under this section.

Chapter 15. Review of Medical Criteria

Sec. 1. The division shall review changes made after 1985 in the medical criteria used to establish whether a patient is eligible for assistance under IC 12-16.1-3.

Sec. 2. The division's review under this chapter must include the application of the criteria to specific cases and address whether changes to or clarification of the criteria is necessary so that, in practice, the criteria are consistent with the hospital care for the indigent program.

Sec. 3. The division shall provide to an interested party a report of the division's review, including the division's findings, conclusions, and recommendations.

SECTION 32. IC 12-17.6-1-2.6, AS ADDED BY P.L.95-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.6. "Emergency" means a medical condition that ~~arises suddenly and unexpectedly and~~ manifests itself by acute symptoms of such severity, including severe pain, that the absence of immediate medical attention could reasonably be expected by a prudent lay person who possesses an average knowledge of health and medicine to:

- (1) place an individual's health in serious jeopardy;
- (2) result in serious impairment to the individual's bodily functions; or
- (3) result in serious dysfunction of a bodily organ or part of the individual.

SECTION 33. IC 12-17.7 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]:

ARTICLE 17.7. UNINSURED PARENTS PROGRAM



Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. (a) "Caretaker relative" means a blood relative and those of half blood.

(b) The term includes an adoptive parent, a grandparent, a sibling, and a relative of an adoptive parent.

(c) The term also includes a spouse of an individual described in subsection (b), even after the marriage is terminated by death or dissolution.

Sec. 3. "Crowd out" means the extent to which:

(1) an individual substitutes coverage offered under the program for employer sponsored health insurance coverage; or

(2) employers:

(A) reduce or eliminate health insurance benefits under an employer based health insurance plan; or

(B) increase the employee's share of the cost of benefits under an employer based health insurance plan relative to the total cost of the plan;

as a result of the program.

Sec. 4. "Emergency" means a medical condition manifesting itself by acute symptoms, including severe pain, of sufficient severity that a prudent lay person with an average knowledge of health and medicine could reasonably expect the absence of immediate medical attention to result in:

(1) serious jeopardy to an individual's health;

(2) serious impairment to an individual's bodily functions; or

(3) serious dysfunction of any bodily organ or part of the individual.

Sec. 5. "Office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

Sec. 6. "Program" refers to the uninsured parents program established under IC 12-17.7-2-2.

Chapter 2. Program Administration

Sec. 1. The office shall design and administer a system to provide health benefits coverage for individuals eligible for the program.

Sec. 2. To the greatest extent possible, the office shall use the same:

(1) eligibility determination;

(2) enrollment;



- (3) provider networks; and
 - (4) claims payment systems;
- as are used by the Medicaid managed care program for adults.

Sec. 3. Reviews of the program by the office must:

- (1) be conducted in compliance with federal requirements; and
- (2) include an analysis of the extent to which crowd out is occurring.

Sec. 4. The office shall do the following:

- (1) Establish performance criteria and evaluation measures.
- (2) Monitor program performance.
- (3) Adopt a formula for establishing the number of eligible individuals to be enrolled in the program, taking into consideration the following:
 - (A) The cost of establishing and maintaining the program.
 - (B) The number of eligible individuals.
 - (C) The fact that the program is not an open ended entitlement program because enrollment levels must be adjusted to prevent state expenditures beyond revenues dedicated to fund the program.
- (4) Adopt a methodology for enrolling eligible individuals, taking into consideration the fact that enrollment levels must be adjusted to prevent state expenditures beyond revenues dedicated to fund the program.

Sec. 5. The office may, in administering the program, contract with community entities, including private entities, for the following:

- (1) Outreach for and enrollment in the program.
- (2) Provision of services.
- (3) Consumer education and public health education.

Sec. 6. (a) The office shall adopt rules under IC 4-22-2 to implement the program.

(b) The office may adopt emergency rules under IC 4-22-2-37.1 to implement the program on an emergency basis.

Sec. 7. Not later than April 1 of each year, the office shall provide a report describing the program's activities during the preceding calendar year to the following:

- (1) Budget committee.
- (2) Legislative council.
- (3) Select joint committee on Medicaid oversight.

Chapter 3. Eligibility, Outreach, and Enrollment

Sec. 1. (a) Subject to subsection (b), to be eligible to enroll in the

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program, an individual must meet the following requirements:

- (1) The individual is at least nineteen (19) years of age.
- (2) The individual is a caretaker relative of at least one (1) child in a family with an annual income of:
 - (A) more than the AFDC standard of July 16, 1996; and
 - (B) not more than one hundred percent (100%) of the federal income poverty level.
- (3) The child described in subdivision (2) is enrolled in the Medicaid managed care program for children or another Medicaid program that is otherwise appropriate for the child's age and medical condition.
- (4) The individual resides on a full-time basis with the family described in subdivision (2).
- (5) The individual is a resident of Indiana.

(b) The following is the maximum number of caretaker relatives of a child described in subsection (a)(2) who may enroll in the program:

- (1) Two (2), if the caretaker relatives are:
 - (A) the biological parents of the child and both have legal custody of the child;
 - (B) the adoptive parents of the child and both have legal custody of the child;
 - (C) a biological parent of the child who has legal custody of the child and the adoptive parent of the child; or
 - (D) a biological or adoptive parent of the child who has legal custody of the child and the biological or adoptive parent's spouse if the parent is incapacitated.
- (2) One (1), in the case of a caretaker relative who:
 - (A) has legal custody of the child or is a grandparent of the child; and
 - (B) is not a caretaker relative described in subdivision (1).

(c) The office may adopt rules under IC 4-22-2 to adjust eligibility requirements based on available program resources.

Sec. 2. (a) Subject to subsection (b), an individual who is eligible for the program shall receive services from the program until the earlier of the following:

- (1) The individual becomes eligible for enrollment, or would be eligible for enrollment if the individual were not enrolled in the uninsured parents program, in any other Medicaid program.
- (2) The individual no longer resides on a full-time basis with the family whose income served as the basis for the

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individual's eligibility for the program.

(b) Subsection (a) applies only if the individual complies with the program's enrollment requirements.

Sec. 3. The office shall implement outreach strategies that build on community resources.

Sec. 4. An individual who meets the eligibility requirements of section 1 of this chapter may apply to receive health care services by:

- (1) applying at an enrollment center as provided in IC 12-15-4-1; or
- (2) completing and mailing to the office an application form.

Chapter 4. Benefits, Crowd Out, and Cost Sharing

Sec. 1. The benefit package provided under the program must focus on age appropriate preventive, primary, and acute care services.

Sec. 2. The office shall offer health insurance coverage for the following basic services:

- (1) Inpatient and outpatient hospital services.
- (2) Physicians' services provided by a physician (as defined in 42 U.S.C. 1395x(r)).
- (3) Laboratory and x-ray services.
- (4) Emergency medical services.

Sec. 3. The office may offer services in addition to those described in section 2 of this chapter if funds for the program exist to pay for the additional services.

Sec. 4. (a) The office shall offer health insurance coverage for the following additional services if the coverage for the services has an actuarial value equal to or greater than the actuarial value of the services provided by the benchmark program determined by the children's health policy board established by IC 4-23-27-2:

- (1) Prescription drugs.
- (2) Mental health services.
- (3) Vision services.
- (4) Hearing services.
- (5) Dental services.

(b) The office may not impose treatment limitations or financial requirements on the coverage of services for a mental illness if similar treatment limitations or financial requirements are not imposed on coverage for services for other illnesses.

Sec. 5. The office may not impose premiums, deductibles, coinsurance, or other cost sharing upon enrollees in the program higher than those imposed by the Medicaid managed care

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program.

Sec. 6. The office may do the following:

- (1) Determine waiting periods, which may not exceed three (3) months, and exceptions to the requirement of waiting periods for potential enrollees in the program.
- (2) Adopt additional methods for complying with any federal requirements relating to crowd out.

Chapter 5. Provider Contracts

Sec. 1. A provider agreement must include information that the office finds necessary to facilitate carrying out this article.

Sec. 2. A provider who participates in the program must comply with the enrollment requirements established under IC 12-15.

Sec. 3. A provider who participates in the Medicaid program is considered a provider for both the Medicaid program and the program under this article.

Sec. 4. A provider:

- (1) who participates in the Medicaid managed care program for children; and
- (2) whose practice is not limited to the care and treatment of children only;

is considered a provider for both the Medicaid program and the program under this article.

Sec. 5. If an enrollee in the Medicaid managed care program for children has direct access to a provider:

- (1) who has entered into a provider agreement under IC 12-15-11; and
- (2) whose practice is not limited to the care and treatment of children only;

an enrollee in the program established under this article shall have direct access to the same provider.

Chapter 6. Appeals and Hearings

Sec. 1. An applicant for or a recipient of services under the program may appeal to the office if any of the following occurs:

- (1) An application or a request is not acted upon by the office within a reasonable time after the application or request is filed.
- (2) The application is denied.
- (3) The applicant or recipient is dissatisfied with the action of the office.

Sec. 2. The secretary shall conduct hearings and appeals concerning the program under IC 4-21.5.

Sec. 3. The office shall, upon receipt of notice of an appeal under

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section 1 of this chapter, set the matter for hearing and give the applicant or recipient an opportunity for a fair hearing in the county in which the applicant or recipient resides.

Sec. 4. (a) At a hearing held under section 3 of this chapter, the applicant or recipient and the office may introduce additional evidence.

(b) A hearing held under section 3 of this chapter shall be conducted under rules adopted by the secretary for applicants and recipients of Medicaid that are not inconsistent with IC 4-21.5 and the program.

Sec. 5. The office:

- (1) may make necessary additional investigations; and
- (2) shall make decisions concerning the:
 - (A) granting of program services; and
 - (B) amount of program services to be granted;
 to an applicant or a recipient that the office believes are justified and in conformity with the program.

Chapter 7. Confidentiality and Release of Information

Sec. 1. The following concerning a program applicant or recipient under the program are confidential, except as otherwise provided in this chapter:

- (1) An application.
- (2) An investigation report.
- (3) An information.
- (4) A record.

Sec. 2. The use and the disclosure of the information described in this chapter to persons authorized by law in connection with the official duties relating to:

- (1) financial audits;
- (2) legislative investigations; or
- (3) other purposes directly connected with the administration of the program;

is authorized.

Sec. 3. (a) The release and use of information of a general nature shall be provided as needed for adequate interpretation or development of the program.

(b) The information described in subsection (a) includes the following:

- (1) Total program expenditures.
- (2) The number of recipients.
- (3) Statistical and social data used in connection with studies.
- (4) Reports or surveys on health and welfare problems.



Sec. 4. The office shall make available the following to providers for immediate access to information indicating whether an individual is eligible for the program:

- (1) A twenty-four (24) hour telephone system.
- (2) A computerized data retrieval system.

Sec. 5. Information released under section 4 of this chapter is limited to the following:

- (1) Disclosure of whether an individual is eligible for the program.
- (2) The date the individual became eligible for the program and the individual's program number.
- (3) Restrictions, if any, on the scope of services to be reimbursed under the program for the individual.

Sec. 6. Information obtained by a provider under this chapter concerning an individual's eligibility for the program is confidential and may only be disclosed to the following:

- (1) Another provider involved or potentially involved in the care of the individual.
- (2) A person who:
 - (A) works under the authority of a provider described in subdivision (1); and
 - (B) requires the information for the provider's legitimate business or clinical purposes.

Chapter 8. Effect of Federal Law

Sec. 1. If it is established that a provision of this article causes the program to be ineligible for federal financial participation, the provision is limited or restricted to the extent that is essential to make the program eligible for federal financial participation.

Chapter 9. Termination of Uninsured Parents Program

Sec. 1. The uninsured parents program implemented and maintained under this article shall terminate upon either of the following:

- (1) A revocation or nonrenewal of the demonstration waiver approved by the federal Health Care Financing Administration for purposes of implementing this article.
- (2) Repeal of the federal upper payment limit designated for nonstate government owned or operated hospitals allowing Medicaid reimbursement to nonstate government owned or operated hospitals equal to one hundred fifty percent (150%) of a reasonable estimate of reimbursement under Medicare payment principles.

Sec. 2. Upon termination of the uninsured parents program, all

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funds on deposit in the state uninsured parents program fund, including funds transferred to the fund under IC 12-16-14.1-6(2), shall be used to pay expenses and other obligations of the program, as determined by the office. Any remaining funds attributable to taxes levied under IC 12-16-14-1(1) or allocated under IC 12-16-14-1(2) shall be transferred from the fund for use as the state's share of payments under IC 12-15-15-9(h). Any remaining funds attributable to transfers from the Medicaid indigent care trust fund under IC 12-15-20-2(5) shall be transferred from the state uninsured parents program fund for use as the state's share of payments under IC 12-15-20-2(5)(D).

SECTION 34. IC 12-17.8 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]:

ARTICLE 17.8. FUNDING OF UNINSURED PARENTS PROGRAM

Chapter 1. Uninsured Parents Program Funds

Sec. 1. This chapter applies beginning July 1, 2002.

Sec. 2. The uninsured parents program established under IC 12-17.7 shall be funded in part by taxes levied by counties under IC 12-16-14-1(1) and allocated under IC 12-16-14-1(2).

Sec. 3. The distribution of taxes described in section 2 of this chapter is governed by IC 12-16-14.1.

Chapter 2. State Uninsured Parents Program Fund

Sec. 1. (a) The state uninsured parents program fund is established.

(b) Before the fifth day of each month, all money contained in a county hospital care for the indigent fund at the end of the preceding month shall be transferred to the state uninsured parents program fund.

Sec. 2. (a) The state uninsured parents program fund consists of the following:

- (1)** The money transferred to the state uninsured parents program fund from the county hospital care for the indigent funds.
- (2)** The money transferred to the state uninsured parents program fund under IC 12-15-20-2(5).
- (3)** The money transferred to the state uninsured parents program fund under IC 12-16-14.1.
- (4)** Any contributions to the fund from individuals, corporations, foundations, public or private trust funds, or others for the purpose of providing medical assistance to

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uninsured parents.

(5) The money advanced to the fund under section 5 of this chapter.

(6) The appropriations made specifically to the fund by the general assembly or a state board, trust, or fund.

(7) Any voluntary intergovernmental transfer to the fund.

(b) This section does not obligate the general assembly or any state board, trust, or fund to appropriate money to the state uninsured parents program fund.

Sec. 3. The office shall administer the state uninsured parents program fund and shall use the money in the fund to defray the expenses and obligations incurred by the office for providing medical services covered by the program. The money in the fund is hereby appropriated.

Sec. 4. (a) Subject to subsections (c) and (d), money in the state uninsured parents program fund at the end of a state fiscal year remains in the fund and does not revert to the state general fund.

(b) For each state fiscal year beginning July 1, 2002, the office of the uninsured parents program established by IC 12-17.7-2-1 shall transfer from the state uninsured parents program fund an amount equal to the amount determined by multiplying thirty-five million dollars (\$35,000,000) by the federal medical assistance percentage for the state fiscal year. The transferred amount shall be used for Medicaid current obligations. The transfer may be made in a single payment or multiple payments throughout the state fiscal year.

(c) At the end of a state fiscal year, the office shall do the following:

(1) Determine the sums on deposit in the state uninsured parents program fund.

(2) Calculate a reasonable estimate of the sums to be transferred to the state uninsured parents program fund during the next state fiscal year, taking into consideration the timing of the transfers.

(3) Calculate a reasonable estimate of the expenses to be paid by the program during the next state fiscal year, taking into consideration the likely number of enrollees in the program during the next state fiscal year.

(d) If the amount on deposit in the state uninsured parents program fund at the end of a state fiscal year, combined with the estimated amount of transfers of funds into the fund during the next state fiscal year, exceeds the estimate of the expenses to be

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paid by the program during the next state fiscal year, then a sum equal to the excess amount shall be transferred from the funds on deposit in the state uninsured parents program fund at the end of the state fiscal year to the Medicaid indigent care trust fund for purposes of IC 12-15-20-2(5)(D).

Sec. 5. (a) The office may request an advancement of money from the state general fund in anticipation of county property tax revenue being transferred to the state uninsured parents program.

(b) The director of the budget agency shall determine an interest rate that is at least the interest rate earned by the state on investments made from money in the general fund and the rate so determined by the director of the budget agency shall be paid on the amount that is advanced from the state general fund.

(c) The amount that may be advanced, plus the projected interest on that amount, may not exceed the amount of county property tax revenue that is expected to be transferred to the state uninsured parents program fund during the six (6) months following the date of the request.

(d) A request for an advancement must be submitted to the budget agency.

(e) The state board of finance may, on the recommendation of the director of the budget agency, approve an advancement.

(f) If an advancement is approved, the county property tax revenue transferred to the state uninsured parents program fund shall be immediately used to repay the amount of the interest and advancements made under this section.

Sec. 6. The treasurer of state shall invest the money in the state uninsured parents program fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

SECTION 35. IC 34-30-2-45.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2002]: **Sec. 45.5. IC 12-16.1-4-6 (Concerning persons who aid a patient in completing an application for assistance under the hospital care for the indigent program).**

SECTION 36. IC 34-30-2-45.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2002]: **Sec. 45.7. IC 12-16.1-5-2 (Concerning hospitals for providing information verifying indigency of patient).**

SECTION 37. IC 34-30-2-45.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2002]: **Sec. 45.9. IC 12-16.1-12-1**



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(Concerning hospitals or persons providing services under the hospital care for the indigent program).

SECTION 38. IC 35-43-5-7.3 IS AS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: **Sec. 7.3. (a) Except as provided in subsection (b), a person who knowingly or intentionally:**

- (1) files an uninsured parents program claim, including an electronic claim, in violation of IC 12-17.7;**
- (2) obtains payment from the uninsured parents program under IC 12-17.7 by means of a false or misleading oral or written statement or other fraudulent means;**
- (3) acquires a provider number under the uninsured parents program except as authorized by law;**
- (4) alters with intent to defraud or falsifies documents or records of a provider (as defined in 42 CFR 1002.301) that are required to be kept under the uninsured parents program; or**
- (5) conceals information for the purpose of applying for or receiving unauthorized payments from the uninsured parents program;**

commits insurance fraud, a Class D felony.

(b) The offense described in subsection (a) is a Class C felony if the fair market value of the offense is at least one hundred thousand dollars (\$100,000).

SECTION 39. IC 12-15-19-10.1 IS REPEALED [EFFECTIVE JULY 1, 2001].

SECTION 40. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2002]: IC 12-7-2-118; IC 12-16-2; IC 12-16-3; IC 12-16-4; IC 12-16-5; IC 12-16-6; IC 12-16-7; IC 12-16-8; IC 12-16-9; IC 12-16-10; IC 12-16-11; IC 12-16-12; IC 12-16-13; IC 12-16-15; IC 12-16-16; IC 34-30-2-44; IC 34-30-2-45; IC 34-30-2-45.3.

SECTION 41. [EFFECTIVE JULY 1, 2002] **Notwithstanding any other provision of this act, the following are not prohibited or limited:**

- (1) A levy of taxes under IC 12-16-14-1(1) before July 1, 2002, or the collection of those taxes after July 1, 2002.**
- (2) An assessment of taxes under IC 12-16-14-1(2) before July 1, 2002, or the collection and allocation of those taxes after July 1, 2002.**

SECTION 42. [EFFECTIVE JULY 1, 2001] **(a) As used in this SECTION, "office" refers to the office of the secretary of family and social services established by IC 12-8-1-1.**

(b) If necessary, the office shall apply to the federal Health Care

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Financing Administration for approval of the necessary state plan amendment and demonstration waiver (42 U.S.C. 1396 et seq.) to implement the uninsured parents program established under IC 12-17.7, as added by this act, as a non-open ended entitlement program that takes into consideration the fact that enrollment levels must be adjusted to prevent state expenditures beyond revenues dedicated to fund the program.

(c) The office may not implement a state plan amendment or a waiver until the office files an affidavit with the governor attesting that both the amendment and waiver applied for under this SECTION are in effect. The office shall file the affidavit under this subsection not later than five (5) days after the office is notified that both the amendment and the waiver are approved.

(d) If the office receives approval of the state plan amendment and waiver request from the federal Health Care Financing Administration and the governor receives the affidavit under subsection (c), the office shall implement the state plan amendment and waiver thirty (30) days after the governor receives the affidavit under subsection (c).

(e) Notwithstanding subsection (d), the office shall not in any event implement the state plan amendment and waiver:

(1) before:

(A) January 1, 2002; and

(B) requisite funds for the program's implementation are available or projected to be available, as determined by the office;

(2) if federal law does not allow an upper payment limit designated for Medicaid reimbursement to nonstate government owned or operated hospitals equal to one hundred fifty percent (150%) of a reasonable estimate of reimbursement under Medicare payment principles; or

(3) after June 30, 2003.

(f) As soon as possible after the date that the office implements the state plan amendment and waiver, the office shall:

(1) publish a public notice; and

(2) adopt a rule under IC 4-22-2;

stating the implementation date of the uninsured parents program.

(g) If the state plan amendment and waiver are not implemented before July 1, 2003, the office may not implement IC 12-17.7, as added by this act.

(h) This SECTION expires July 2, 2003.

SECTION 43. An emergency is declared for this act.



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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Approved: _____

Governor of the State of Indiana

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